



**Staff Analysis and Proposed Actions Regarding the  
California LifeLine Renewal Working Group Proposal and Assembly Bill 74  
December 2021**

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**A. Executive Summary**

The California LifeLine Renewal Working Group (RWG) was formed in April 2020 to consider strategies to improve the LifeLine program renewal process. The group included eight industry representatives from consumer advocates groups, wireline, and wireless eligible telecommunication carriers. A final Proposal was submitted to the Commission in February 2021. Five recommendations are presented in the Proposal and are discussed in this report. The recommendations are 1) accessing third-party databases (such as CalFresh and MediCal, 2) improving the web enrollment online renewal portal 3) improving third-party administrator communication with subscribers 4) modify correctable denial process, and 5) modifying the bad address process.

Commission staff evaluated the Proposal and concluded the renewal process would benefit from implementing most of the Proposal recommendations. Staff did not recommend implementing several of the administrative suggestions in the Correctable Denial process recommendation. Recommendation five (modify bad address process) was implemented by the third-party administrator (TPA) prior to the submission of the final Proposal and was retained in the report for continuity purposes.

Since the RWG issued the Proposal in February, CPUC staff and the TPA are actively engaged in, or planning implementation of many of the proposal recommendations as well as other process improvements designed to improve the renewal experience and increase the renewal success rate. The report describes these initiatives and the expected benefits to the LifeLine renewal rate.

The report also includes a discussion and analysis of Assembly Bill 74 (AB 74) relative to the renewal process Proposal recommendations and TPA and CPUC staff recommended process improvements.

Next steps include 1) tentative plans for a workshop in early 2022 to report the results on data collected from implementing the proposed changes (contingent upon if the FCC and Commission extend the renewal freeze and having several months of data to analyze) 2) evaluating the results of renewal activity after renewal activity resumes 3) reviewing and evaluation comments received on the Proposal from parties to the docket and 4) website improvements through ongoing work with ODI.

**B. Introduction**

As directed by the Scoping Memo (R.20-02-008) issued on April 13, 2020,<sup>1</sup> a California LifeLine Renewal Working Group (RWG) was formed. The RWG includes eight representatives from consumer advocates groups, wireline, and wireless eligible telecommunication carriers. The representatives are from: TruConnect, iWireless, dba Access Wireless, Global Connections Inc of America dba StandUp Wireless, The Utility Reform Network, Center for Accessible Technology, Cal Advocates, the Small Local Exchange Carriers, and AT&T California. The Working Group's charter is to review the current LifeLine Program renewal process and evaluate strategies and initiatives to improve the process to increase renewal rates.<sup>2</sup> Meetings began on July 8, 2020.

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<sup>1</sup> Assigned Commissioner's Scoping Memo and Ruling, April 13, 2020.  
<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=332175052>

<sup>2</sup> LifeLine Renewal Working Group. Final Proposal for Improving the Renewal Process, February 5, 2021, p. 1.

The RWG filed a Status Update Report on December 11, 2020, and submitted a Final Proposal for Improving the LifeLine Renewals Process (Proposal) on February 5, 2021.<sup>3</sup> The RWG considered strategies to improve the renewal process. Twelve potential recommendations were developed, and five recommendations were selected for the Proposal. The following recommendations are listed in the Proposal in priority of the potential to increase renewal rates and LifeLine consumers. Since the RWG issued the Proposal in February, CPUC staff and the third-party administrator TPA are actively engaged in or planning implementation of many of the proposal recommendations.

The RWG Proposal also noted that only one recommendation will require modifications to General Order 153. On September 23, 2021, in Decision 21-09-023, the Commission adopted this recommendation – authorizing the Program administrator to verify participants’ eligibility by accessing databases of qualifying state and federal programs.

### C. LifeLine Renewal Working Group Recommendations

1. **Third Party Database Access:** Allow the TPA (Maximus) to check qualifying state and federal program databases, such as CalFresh and Medi-Cal, to access qualifying consumer information that would facilitate the renewal process and potentially enable automatic renewals.
2. **Improve the Web Enrollment Online Renewal Portal:** Modernize and update the LifeLine web-based online renewal portal. The website is out of date and does not include the most recent renewal information. The site also lacks features that are commonly used in web-based program application processes and is not accessible through a desktop or mobile devices. Unlike other state programs such as the Employment Development Department (EDD) or CalFresh, it relies on a PIN number for user identification rather than establishing individual user accounts. A modern, up-to-date, and user-friendly website could be a foundation for improving renewal response rates and approvals.
3. **Improve Third-Party Administrator Communication with Subscribers:** Although the RWG acknowledged that the TPA has increased communications with consumers through additional SMS and recorded messages during the renewal process, it recommended additional improvements to increase the connection between the consumer and the program to reduce the number of correctable denials and prevent consumers from being removed from the program and required to reapply.
4. **Modify Correctable Denial Process:** Currently, consumers are only allowed one correctable denial. If an issue is found with the corrected form, there is not an opportunity to correct that issue.<sup>4</sup> The RWG proposes improvements to this process allowing more than one correctable denial and introducing an alternative method of correcting an issue without completing a new form. These suggestions include using text messages and forms with links to only those areas where a correction is required. Additionally, the RWG recommends revising the blackout dates for renewals to allow more time for the consumer to renew.
5. **Modify Bad Address Process:** The RWG recommended allowing records/consumers with bad addresses to enter the renewal process and other methods to prompt consumers and service providers to update or correct a bad address. The RWG initially proposed to change the process that triggers a “bad address flag” that caused a “hard denial” and the removal of the consumer from the

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<sup>3</sup> Status Update Report of the Renewal Working Group, December 11, 2020, and Final Proposal submitted by the Lifeline Renewal Working Group on February 5, 2021.

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=355438498>

<https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=366583872>

<sup>4</sup>Ibid., pp. 6-7.

program without the opportunity to renew. Since their initial recommendation, the process has changed and a “bad address flag” no longer creates an automatic denial. The RWG continues to seek additional changes that may facilitate updating and correcting a bad address file.

The Proposal noted the RWG had insufficient information about the cost, time, and resources necessary to implement each of the proposed recommendations or to present a strong prioritization of recommendations. Further, the RWG lacked significant input from California LifeLine staff (program staff) and the TPA at the time due to constrained resources. The Proposal also noted the representatives did not specifically reach consensus regarding specific elements of the recommendations.

#### **D. Analysis of the Renewal Working Group Recommendations**

In evaluating the Proposal, staff conducted working sessions with the TPA, the program’s IT Consultant TrueCourse, and program staff to determine the appropriate metrics to measure the benefit of each RWG recommendation. It should be noted that due to the COVID-19 pandemic, California LifeLine mirrored the Federal Communications Commission (FCC) orders in place since March 2020 to freeze requirements for consumers to annually renew in the program; we refer to this as the “renewal freeze”. Since the last FCC order released on September 22, 2021, the current renewal freeze is in place until December 31, 2021.<sup>5</sup>

In response to the COVID-19 pandemic, the FCC waived the annual renewal requirement in nine previous Orders to ensure continuous relief for low-income households. On March 18, 2020, the renewal process was suspended. If a renewal approval decision had been rendered on or prior to March 18, 2020, but had not been communicated to the subscriber or service provider because the subscriber had not yet obtained their anniversary date, the renewal was allowed to proceed. Thus, some renewals continued into June 2020. Otherwise, California LifeLine has not renewed consumers since April 2020.

Due to the lack of current renewal performance data and the uncertainty of the resumption of the renewal process, quantitative data of renewal rates will be analyzed once normal operations resume. As recommended in the Proposal, CPUC staff plans to hold a workshop to present several months of actual renewal data with the renewal improvements implemented, and respond to questions regarding renewal process improvements, concerns, or additional recommendations for CPUC staff consideration. Timing of this workshop is contingent upon the FCC lifting the renewal freeze.

Additionally, the TPA and the program staff were actively engaging on renewal process improvements prior to receiving the Proposal and throughout the renewal freeze. Many of these efforts are responsive to the considerations and recommendations expressed in the Proposal. As a result, the analysis evaluated both the Proposal recommendations and the potential impact of the improvements proposed by TPA and program staff.

The analysis of the recommendations included the following:

1. Outlining the barriers and concerns addressed by each recommendation,
2. Researching and verifying the specifics identified and addressed in each recommendation,

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<sup>5</sup> Lifeline and Link Up Reform and Modernization (WC Docket No. 11-42), Order, DA 21-1191, (WCB September 22, 2021), (Ninth Lifeline Waiver Order) (extending prior waivers through December 31, 2021. <https://www.fcc.gov/document/wcb-extends-prior-covid-lifeline-program-waivers-dec-31-2021>

3. Evaluating the proposed prioritization of each recommendation,
4. Noting the level of support from each RWG representative; and
5. Determining if a G.O. 153 change is required.

## **E. Planned Activities**

The evaluation concluded that the renewal process would benefit from implementing most of the Proposal recommendations, particularly after considering the upgrades implemented by the TPA after the submission of the Proposal.

**The CPUC staff has or is in the process of implementing the following 4 out of 5 Proposal recommendations:**

1. Third Party Database Access
2. Improve the Web Enrollment System (WES) Online Portal
3. Improve Third Party Administrator Communication with Subscribers
4. Selected recommendations to Modify the Correctable Denial Process
  - a. Correct only the error in the renewal application
  - b. Proactively initiate outbound calls to consumers to contact the call center to manage complex errors or correct error

**For reasons explained later, CPUC staff does not plan to implement the following Proposal recommendations:**

1. Selected recommendations to Modify the Correctable Denial Process
  - a. Allow more than one correctable denial
  - b. Use email to communicate correctable denial and forms
  - c. Revise “black-out” dates to allow more time for renewals and ID verification
2. Modify Bad Address Process
  - a. Use “bad address” prompt to request service provider to verify address

The first two recommendations: 1) Third Party Data Base Access to qualifying programs to confirm consumer eligibility during the renewal process and 2) Improve the Web Enrollment Online Renewal Portal were assigned the highest priority because they are most likely to have the greatest and immediate positive impact to renewal rates and the consumer experience.

### **1. Third Party Database Access**

Access to qualifying program databases enables accurate identification and eligibility confirmation for the majority of LifeLine renewing consumers, which is currently done by the FCC using the National Verifier. There are two ways consumers can qualify for the LifeLine program: program-based or income-based. Most consumers in the LifeLine program qualify because of their enrollment in a qualifying federal or state program. As of March 2021, 94.4% of LifeLine enrollment is “program-based” eligible compared to only 5.6% “income-based” enrollment.<sup>6</sup>

The qualifying programs in California with the highest percentage of LifeLine consumers are CalFresh and Medi-Cal. Having access to consumer information from these program databases have the highest potential for streamlining enrollment and renewals for LifeLine program. Together, CalFresh and Medi-Cal represent 96.8% of

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<sup>6</sup>California LifeLine Administrator, “Presentation to the ULTS Administrative Committee”, March 10, 2021, p. 15.

program-based enrollment, with CalFresh representing 48.6%, and Medi-Cal representing 48.2%, respectively. Women Infants and Children (WIC), Supplemental Security Income (SSI), Section 8 (S8) and other programs combined represent 2% of enrollment.

The CPUC and the California Department of Social Services (CDSS) have executed an interagency agreement for the California LifeLine program to utilize CDSS' new CalFresh Confirm solution to confirm CalFresh participation, and therefore, eligibility for LifeLine. California LifeLine is CDSS' first CalFresh Confirm Solution partner. Preliminary testing indicates that the CalFresh participation match rate of the California LifeLine consumer sampling is 40%.

LifeLine program renewals were suspended during the pandemic. In anticipation of the renewal resumption currently scheduled for January 2022, the TPA began using CalFresh Confirm to pre-emptively recertify consumers to test and refine the process. A CalFresh Confirm Solution check will occur for all California LifeLine subscribers on the day their renewal processes begin. Subscribers with a positive match will have renewal approval decisions ready for notification on their anniversary dates. Subscribers for whom the CalFresh Confirm Solution checks do not produce positive matches will progress through the standard renewal process. During the preemptive recertification phase, renewal processes will not begin for any subscriber for whom the CalFresh Confirm check does not yield a positive match and no subscribers will be removed during the testing phase.<sup>7</sup>

**2. Improve the Web Enrollment Online Renewal Portal** Modernizing the public online application and renewal portal and enhancing its functionality to improve the user experience has a positive impact overall on the LifeLine enrollment and renewal process rate. A modern website also offers more opportunity to test and implement new processes and procedures for consumer renewals. CPUC staff is currently in discussions with Office of Digital Innovation (ODI) about short-term improvements to the online renewal website and longer-term discussions about the steps and resources required to implement a portal like California Employment Development Commission (EDD) and CalFresh where users establish an account on the organization's website, eliminating the need to use PIN numbers for online authentication and identification.

In anticipation of the renewal resumption, the TPA made improvements to the presentation of the renewal form on the public LifeLine website. The renewal form is now more "user-friendly" with a "mobile first" approach. The enrollment form is presented as a digital representation of the paper form and appears within the window of the user's device. It no longer includes page breaks nor requires the user to scroll to the far left or right of the screen to complete the requested information. Additionally, Adobe Analytics has been implemented for the public website and enrollment process to track and capture usage data such as the number and type of visits and page level traffic counts.<sup>8</sup> Other suggested improvements could include changing the presentation format of the renewal process on the website to enhance the user experience.

### **3. Improve Third Party Administrator Communication with Subscribers**

Increasing communication with consumers during the renewal process improves the likelihood of consumers responding to and successfully completing the renewal process. The TPA is implementing the following upgrades for the upcoming renewal resumption and will be able to measure the benefits of these approaches:

- Targeted Interactive Voice Response (IVR) messaging to consumers approaching their renewal window to renew online or by contacting the call center.

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<sup>7</sup> California LifeLine Administrator, presentation to California LifeLine Consumer Advocates, November 3, 2021.

<sup>8</sup> LifeLine Renewal Working Group. Final Proposal for Improving the Renewal Process, February 5, 2021, p. 3.

- Additional Short Message Service (SMS) messaging to consumers in the renewal process encouraging them to renew online or with the call center.
- Re-ordering of IVR presentation of qualifying public assistance programs to present first federal programs, then state programs and in order of frequency selected to ensure that California LifeLine consumers receive the applicable and appropriate California and federal discount amounts when selecting their qualifying public assistance programs.
- Providing Wireless service providers renewal status information for prospective consumers.
- Improving the consumer experience related to the use of PIN numbers in the renewal process. The current renewal process requires a unique PIN number be assigned to each consumer. Changes were implemented to make it easier to retrieve or change a PIN number and reduce consumer frustration and improve renewal completion rate. These changes include:
  - Consumer PIN setup upon handset activation (consumer can create a unique personalized PIN number)
  - PIN set up for existing consumers
  - Consumer initiated on-demand PIN request via text messaging

#### **4. Modify the Correctable Denial Process**

CPUC staff and the TPA are currently implementing modifications to the Correctable Denial process. They include two modifications recommended by the RWG as well as several process enhancements jointly developed by the CPUC staff and the TPA. The two RWG recommendations are: 1) Correct only the error in the renewal application and 2) Proactively initiate outbound calls to consumers to contact the call center to correct an error or manage complex errors. The enhancements developed by the CPUC staff and the TPA include:

1. Request the consumer correct only the errors or missing information in the application rather than complete a new application that could result in making additional errors.
2. Add a link via Short Messaging Service (SMS) or phone number to the Call Center in a correctable denial letter that directs them to the specific information that requires correction.
3. Initiate outbound calls to consumers with errors and particularly those with complex errors, requesting they contact the call center to address the problem.
4. Reduce correctable denials (application errors) and reduce the number of late applications by implementing a new way for service providers to electronically complete and submit consumer applications to the TPA via application program interface (API) known as Service Provider Intake Application (SPIA). In this process, the service provider, rather than the consumer, gathers and populates all the required information and documentation for the application and submits it to the TPA. The TPA then submits it directly to the renewal queue. Additionally, the SPIA process informs the service provider if the consumer is in the renewal process and if so, provides information about the consumer and the documentation requirements including if the consumer is a tribal or TTY consumer or if ID verification documentation is required. With this information, the consumer is renewed electronically via SPIA rather than waiting to receive and complete the renewal form by mail.

SPIA was implemented in October 2020 during the renewal process suspension. The SPIA process is available to both wireline and wireless service providers. To date, eight wireless service providers have adopted the service. Some wireline companies have expressed interest in SPIA, but to date, none of them have integrated it into their process. SPIA is expected to reduce errors, processing time and

increase renewal success rate for existing and transferring wireless customers because the service providers will have the information to encourage or help them through the renewal process. At the same time, SPIA was deployed, the Direct Application Process (DAP) Check Customer Status API was enhanced. DAP Check Customer Status is available to wireless service providers only and enables them to check the status of a potential and current customer. The system was enhanced for those consumers who should be treated as a transfer and to identify those consumers in the renewal process and generates renewal application information. The DAP process is expected to facilitate renewal for those wireless companies that choose not to integrate SPIA into their renewal process because it increases the available information about a consumer's renewal status.

**The CPUC staff does not recommend implementing the following Proposal recommendations:**

**1. Modify the Correctable Denial Process by allowing more than one denial, communication via email and more time for consumer ID verification and completion of the renewal application<sup>9</sup>.**

The top three reasons renewal applications are denied are 1. failure to return the Renewal Form by the due date 2. the Renewal Form was not return at all or 3. the Renewal Form was returned as “non-deliverable”. <sup>10</sup> Failure to return the form by the due date is a soft denial, which is a subset of Correctable Denials and can be corrected. Failure to return the form at all or a non-deliverable form are “hard denials” and cannot be corrected.

In the current process, consumers have 44 days to return the completed renewal form. If they miss the initial due date, they have an additional 22 days to complete and resubmit the renewal form. An ID Authentication form can be issued at any point in the timeline up to day 74 depending on how quickly the renewing consumer submits the renewal form. The last day an ID Authentication Form can be received from a renewing consumer is day 95.

Data provided by the TPA show historical renewal activity for the December 2019 - February 2020 period.

**Table 1** shows the total number of successful renewals for wireline and wireless consumers. Out of 305,338 renewals, 27 percent were wireline and 73 percent were wireless consumers. Wireless consumers participate in the LifeLine program at a higher rate than wireline consumers. The high percentage of wireless consumers renewing is consistent with the higher participation rates for wireless consumers.

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<sup>9</sup> The RWG suggested the TPA use email to prompt consumers to complete the renewal forms and communicate the process. The current renewal process uses multiple forms of communication to alert and remind the consumer to complete the renewal form. They include SMS messages, targeted IVR messages, outbound dialer reminder calls, Call Center interactions and mail notification. CPUC staff discussed with the TPA the use of email to communicate correctable denial information with the consumer and learned privacy considerations prevent the use of email for communicating correctable denial information and forms because unlike information sent to the consumer's LifeLine phone, the TPA cannot verify the email recipient is a LifeLine consumer. However, email communication that does not contain information subject to privacy rules is used.

<sup>10</sup> California LifeLine Administrator “Presentation to the ULTS Administrative Committee”, March 10, 2021, p. 12.

**Table 1. Total wireline and wireless renewals during December 2019 to February 2020.**

| <b>Total Renewals</b> |         |      |
|-----------------------|---------|------|
| Wireline              | 83,579  | 27%  |
| Wireless              | 221,759 | 73%  |
| Total                 | 305,338 | 100% |

**Table 2** shows the breakdown of Total Renewals by “Soft” and “Correctable” denials during this same period.

Overall total correctable denials issued and the subsequent approval rate for those denials relative to the total renewal population is relatively small, as seen by the 6 percent and 2 percent in Table 2. Although the approval rate for this population of correctable denials was relatively high at 71 percent for wireline and 46 percent for wireless, as a percentage of the total renewal population, correctable denial approvals represent only 5 percent of wireline and 1 percent of wireless consumers.

**Table 2. Renewal activity during December 2019 to February 2020 for soft and correctible denials.**

| <b>Dec 2019 - Feb 2020</b>     | <b>Number of Denials</b> | <b>Percentage of Total Renewals</b> | <b>Total Approved</b> | <b>Renewal Success Rate</b> | <b>Approvals as a Percentage of Total Renewals</b> |
|--------------------------------|--------------------------|-------------------------------------|-----------------------|-----------------------------|--|
| Soft Denials - Wireline        | 10,670                   | 13%                                 | 4,314                 | 40%                         | 5%   |
| Soft Denials - Wireless        | 147,977                  | 67%                                 | 10,193                | 7%                          | 5%   |
| Correctable Denials - Wireline | 5,249                    | 6%                                  | 3,745                 | 71%                         | 5%   |
| Correctable Denials - Wireless | 5,006                    | 2%                                  | 2,316                 | 46%                         | 1%   |

Similarly, soft denials issued for the same three-month timeframe for wireline and wireless as a percentage of total renewals were slightly higher than correctable denials at 13 percent and 67 percent respectively. The subsequent renewal approval rates for wireline consumers are relatively high at 40 percent while the wireless approved renewal rates were much lower at 7 percent. Overall, soft denial approvals as a percentage of the total renewal population represented only 5 percent for wireline and 5 percent for wireless consumers.

Discussions with the TPA suggested there was little evidence that increasing the number of allowable correctable denials or revising the “black-out” dates to allow more time for consumers to complete the renewal form and ID verification would substantially improve renewal rates. Also, the proposed response time extension does not take into consideration the amount of time needed by consumers who respond by mail, nor does it provide sufficient time for identification verification. Instead, it was agreed that renewal rates would benefit more from the implementation of process upgrades that increased communication with consumers and simplified correcting the renewal application as suggested in the Proposal recommendations and by the TPA, as listed previously in this report. They include adding links in the document to correct errors or missing information, proactively initiating outbound calls to consumers to contact the call center to manage complex errors or correct errors and implementing the SPIA process.



## 2. Modify Bad Address Process

The RWG considered including a recommendation to change the renewal process that triggers a “bad address flag” and “hard denial” upon receipt of hard copy mail that is deemed undeliverable and returned to the TPA. The hard denial would result in the consumer being removed from the program and the customer not given an opportunity to renew.<sup>11</sup>

After submitting the December Status Update Report, the RWG was informed by the TPA that it was no longer creating a hard denial for consumers with a “bad address flag”.<sup>12</sup> To maintain continuity, the RWG retained this recommendation in the Final Proposal and emphasized that the TPA will ask the carrier to contact LifeLine consumers to update their records and address. In the prioritization section of the recommendation in the Final Proposal, the RWG “urged the Commission to remove this recommendation for further consideration upon confirmation from the TPA that it has changed this process, and that the TPA will notify the carriers to reach out to the consumer to update the address on the record”.<sup>13</sup>

Staff is not recommending this recommendation because it is the responsibility of the service providers to maintain the correct address for the consumers receiving LifeLine service. The TPA is responsible for giving notice to the service providers when a “bad address flag” is received to prompt the service provider to contact the consumer and obtain an updated address. The TPA suggests an additional improvement to the process may be to develop a script for the website or call center to prompt a consumer who has a change of address, to contact their service provider to update their address.

## E. Assembly Bill No. 74

Assembly Bill 74 (AB 74, Gonzalez 2021) was signed by the Governor Newsom on September 30, 2021 and filed with the Secretary of State on the same day. AB 74 aims to reduce barriers for customers to apply for and renew participation in the California LifeLine program. This legislation updates Section 878.6 of the California Public Utilities Code.

The bill requires the commission:

1. Before March 1, 2022, to adopt updated rules for the LifeLine program establishing a modified recertification (renewal) process that:
  - a. Minimizes barriers to LifeLine subscriber recertification and
  - b. Reduces the burden and cost of recertification on the LifeLine program
2. That before January 1, 2023, updated rules be adopted with the goal of:
  - a. Achieving recertification rates at least equivalent to those rates achieved by the Universal Service Administrative Company (USAC).
  - b. Requiring participation and recertification rates of eligible LifeLine subscribers to be publicly reported annually on the Commissions’ internet website.
3. The updated rules enable a LifeLine subscriber to:

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<sup>11</sup> LifeLine Renewal Working Group. Final Proposal for Improving the Renewal Process, February 5, 2021, p. 8.

<sup>12</sup> The change in TPA approach was effective on 4/1/2019 when Maximus became TPA.

<sup>13</sup> LifeLine Renewal Working Group. Final Proposal for Improving the Renewal Process, February 5, 2021, p. 9.

- a. Enroll directly online using an electronic signature
- b. Complete the annual recertification of LifeLine eligibility directly online using an electronic signature, or by telephone using a telephonic signature.
- c. Use personally identifiable information that the administrator has on file to verify identity so as not to be required to use a commission-issued personal identification (PIN) number
- d. Have the option to receive LifeLine subscription communications in an electronic format, but not limited to, email and short message service

### **Analysis: LifeLine Renewal Working Group and Staff Analysis compared to AB 74 requirements**

The five RWG recommendations are focused primarily on adding enhancements to the renewal and recertification process by developing Third-Party Database Access and making improvements to the Web Enrollment online renewal portal. These efforts reduce barriers to the renewal process and are expected to improve renewal rates. Other recommendations focused on improving the user experience by improving the communication between the TPA and the consumer. Below is an analysis of the requirements of AB 74, RWG and Staff recommendations.

#### **AB 74 Requirement # 1. (a) and 2. (a)**

- There is no specific reference in the RWG or Staff recommendations to match renewal rates to the Universal Services Administrative Company (USAC) rates. In response to AB 74, CPUC staff recommends focusing efforts on (1) implementing database matching initially with CalFresh and Medi-Cal programs and later with other qualifying program databases to facilitate recertifications, and (2) based on the qualifying database matching results, update rules for the California LifeLine program where appropriate, with the goal of achieving recertification rates at least equivalent to those rates achieved by the USAC. It is important to note that the match (renewal rate) is calculated differently by the California LifeLine program than USAC and that California is an “opt-out” state for the National LifeLine Accountability Database (NLAD). This analysis will take into consideration the differences in access to subscriber identification information, data definitions and other processes unique to the California LifeLine program compared to USAC.

#### **AB 74 Requirement # 1. (b)**

- The RWG and staff recommendations do not directly address reducing the cost of recertification in the LifeLine program. However, program database matching is expected to generate program costs savings. Preliminary results indicate a 40 percent match rate with the CalFresh program. This should generate cost savings over time by increasing productivity and reducing operational costs of printing and mailing renewal reminder postcards, renewal forms and from reduced call center activity responding to calls and sending text messages.

#### **AB 74 Requirement # 3. (c)**

- The RWG proposal discusses the limitations of using a PIN for identification verification in the renewals process and the staff analysis includes a discussion about the benefits of establishing online user accounts to facilitate identification verification, however there was no recommendation by the RWG to eliminate using a PIN or establishing user online accounts. Subsequent to the release of the RWG report, the CPUC adopted a new rule to introduce and implement database matching with qualifying program databases. The TPA will soon be able to eliminate the use of the PIN when database matching is fully implemented and supplemented with information already on file for the user. For applicants without a database match or personal

identification information, the TPA is in the process of implementing a “two-factor identification protocol” for verification. This process requires a subscriber use a “one-time” only number for identification verification.

AB 74 Requirement # 2. (b)

- AB74 requires the CPUC annually publicly report participation and recertification (renewal) rates of eligible LifeLine subscribers on its internet website. This information is currently available and reported on the CPUC public website for the LifeLine program. The location of this information is listed below.

**a. Third Party Administrator LifeLine Customer Counts**

<https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/lifeline/lifeline-related-forms-and-notice-for-carriers>

**b. Third Party Administrator Presentations - LifeLine Program Enrollment and Recertification information.**

<https://www.cpuc.ca.gov/consumer-support/financial-assistance-savings-and-discounts/lifeline/universal-lifeline-telephone-service-trust-administrative-committee/third-party-administrator-presentation>

AB 74 Requirement # 3. (a), (b), (d)

- As required under AB 74, the current LifeLine enrollment and recertification process enables a subscriber to enroll in the program directly online or by telephone using an electronic or telephonic signature. Subscribers are also able to receive LifeLine program and enrollment information in electronic format.

## **F. Next Steps**

We thank the Renewals Working Group for their time and diligence researching and preparing a comprehensive report and set of recommendations for improving the renewals process. Normal operations are currently on hold as consumers are not being renewed annually during the Covid-19 pandemic. The current FCC order to freeze renewals is active until December 31, 2021, unless otherwise directed from the FCC. Until that time and going forward, the program staff and the TPA continue to work on and implement program and system upgrades to improve the enrollment and renewal experience for consumers. Many of these actions are responsive to and in alignment with the recommendations presented in the Proposal.

Next steps include:

1. Tentative plans for a workshop in early 2022 to report back to the RWG results on data collected from implementing these changes. This is contingent upon if the FCC and Commission extend the renewal freeze and having several months of real data to analyze and present.
2. Evaluating the results of renewal activity after renewal activity resumes.
3. Reviewing and evaluating comments received on the Proposal from parties to the docket.
4. Website improvement through ongoing work with ODI.